

Before the
Federal Communications Commission
Washington, D.C. 20554

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In the matter of)
Iowa Telecommunications Services, Inc.)
Tariff FCC No. 1, Transmittal No. 31) WC Docket No. 03-135
)
)

ORDER TERMINATING TARIFF INVESTIGATION

Adopted: September 9, 2003

Released: September 9, 2003

By the Commission:

I. INTRODUCTION

1. In this order we terminate the investigation of Iowa Telecommunications Services, Inc.'s (Iowa Telecom) proposed average traffic sensitive (ATS) rate, contained in Transmittal No. 31, which became effective April 10, 2003.

II. BACKGROUND

2. On November 26, 2001, Iowa Telecom filed a petition for forbearance in which it asked the Commission to forbear from application of the rule imposing a deadline for choosing between ATS target rates adopted in the *CALLS Order*¹ and ATS target rates based on forward looking economic cost (FLEC).² In the alternative, Iowa Telecom sought forbearance from the 0.95 cents per minute ATS target rate set in the *CALLS Order* so that it could reset its ATS target rate at FLEC.³ The Commission found that Iowa Telecom did not have a meaningful opportunity to make an informed choice between *CALLS* and FLEC-based ATS target rates, and it granted Iowa Telecom's alternative request to forbear from the 0.95 cents per minute *CALLS*

¹ See *Access Charge Reform*, CC Docket No. 96-262, Sixth Report and Order, 15 FCC Rcd 12962 (2000) (*CALLS Order*) (subsequent history omitted). The *CALLS Order* established an integrated access charge reform and universal service regime for price cap local exchange carriers (LECs), including Iowa Telecom. Each price cap LEC had to choose either to subscribe to the ATS target rate levels established by the *CALLS Order* for the full, five-year term of the *CALLS* plan, or to submit a cost study setting a new ATS target rate based on forward looking economic cost. *Id.* at 12985.

² *Petition for Forbearance of Iowa Telecommunications Services, Inc. D/B/A Iowa Telecom Pursuant to 47 U.S.C. 160(c) from the Deadline for Price Cap Carriers to Elect Interstate Access Rates Based on the CALLS Order or a Forward Looking Cost Study*, CC Docket No. 01-331 (filed Nov. 26, 2001).

³ *Id.* at iii and 2. Iowa Telecom has already reached its original ATS target rate of 0.95 cents per minute.

plan ATS target rate.⁴ The Commission thus allowed Iowa Telecom to file a tariff to reset its ATS target rate at FLEC. In granting Iowa Telecom's requested relief, the Commission stated, "Upon filing of a tariff, supported by a forward-looking cost study, we will undertake a tariff investigation to determine Iowa Telecom's forward-looking ATS target rate for the remainder of the CALLS plan's five-year term."⁵

3. On March 25, 2003, Iowa Telecom filed Transmittal No. 31, to become effective April 9, 2003, proposing to increase its ATS target rate to 1.4876 cents per minute.⁶ The Pricing Policy Division (Division) of the Commission's Wireline Competition Bureau suspended the proposed rate for one day, imposed an accounting order, and set the proposed rate for investigation.⁷ The Division issued an order designating issues for investigation on June 11, 2003.⁸ Iowa Telecom filed its direct case on July 2, 2003,⁹ and, on July 14, 2003, AT&T and Sprint filed oppositions to Iowa Telecom's direct case.¹⁰ On July 21, 2003, Iowa Telecom filed its rebuttal to the oppositions.¹¹ Subsequently, both Iowa Telecom and AT&T made numerous *ex parte* filings.¹²

4. On September 3, 2003 Iowa Telecom filed Transmittal No. 39, to become effective September 10, 2003, reducing its proposed ATS target rate to 1.2015 cents per minute.¹³ In Transmittal No. 39, Iowa Telecom also states that it "commits to refunding amounts collected under Transmittal No. 31 that are in excess of the amounts that it would have collected if the rates contained in this [Transmittal No. 39] tariff filing had been in effect."¹⁴ On the basis

⁴ *Petition for Forbearance of Iowa Telecommunications Services, Inc. D/B/A Iowa Telecom Pursuant to 47 U.S.C. 160(c) from the Deadline for Price Cap Carriers to Elect Interstate Access Rates Based on the CALLS Order or a Forward Looking Cost Study*, CC Docket No. 01-331, Order, 17 FCC Rcd 24319, 24325, paras. 17-18 (2002) (*Forbearance Order*).

⁵ *Id.* at 24327, para. 23.

⁶ Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 31, Description and Justification at 3 (filed Mar. 25, 2003). Iowa Telecom subsequently revised its proposed rate slightly downward to 1.4297 cents per minute. *Iowa Telecom Rebuttal* at 1.

⁷ *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 31*, Order, 18 FCC Rcd 6495 (WCB/Pricing 2003) (*Suspension Order*).

⁸ *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 31*, WC Docket No. 03-135, Order Designating Issues for Investigation, 18 FCC Rcd 11488 (WCB/Pricing 2003) (*Designation Order*).

⁹ *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 31*, WC Docket No. 03-135, Direct Case of Iowa Telecommunications Services, Inc. D/B/A Iowa Telecom (filed July 2, 2003) (*Direct Case*).

¹⁰ *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 31*, WC Docket No. 03-135, Opposition of AT&T Corp. to Iowa Telecommunications Services, Inc.'s Direct Case (*AT&T Opposition*); Opposition of Sprint Corporation to Direct Case (*Sprint Opposition*) (filed July 14, 2003).

¹¹ *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 31*, WC Docket No. 03-135, Rebuttal of Iowa Telecommunications Services, Inc. D/B/A Iowa Telecom (filed July 21, 2003) (*Iowa Telecom Rebuttal*).

¹² See, e.g., *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 31*, Letters from Gregory J. Vogt, Counsel for Iowa Telecom, to Marlene H. Dortch, Secretary, Federal Communications Commission (May 1, 2003, May 19, 2003, Aug. 1, 2003, and Aug. 19, 2003); Letters from Richard N. Clarke, Director of Economic Analysis, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission (Aug. 25, 2003).

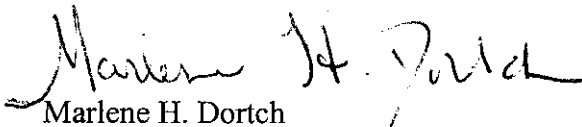
¹³ *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 39* (filed Sept. 3, 2003).

¹⁴ *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 39*, Description and Justification at 2 (filed Sept. 3, 2003).

of Iowa Telecom's filing of a new ATS target rate lower than the rate under investigation, and its commitment to refund to its customers the difference between its higher, originally-filed ATS target rate and its new, lower ATS target rate, we terminate the investigation of Iowa Telecom's originally-filed ATS target rate of 1.4876 cents per minute contained in Transmittal No. 31, and in effect since April 10, 2003.

5. ACCORDINGLY, IT IS ORDERED that, pursuant to section 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 204, the investigation and accounting order imposed by the Wireline Competition Bureau in WC Docket No. 03-135 with respect to Iowa Telecommunication Services, Inc., Tariff FCC No. 1, Transmittal No. 31, ARE TERMINATED.

FEDERAL COMMUNICATIONS COMMISSION


Marlene H. Dortch
Secretary